

Minerals Management Service

www.mms.gov

Minerals Revenue Management: A Continuous Process of System Improvements

The financial arm of the Minerals Management Service (MMS) is the Minerals Revenue Management (MRM) program. MRM is charged with accounting for and disbursing revenues from minerals produced on Federal and Indian lands, onshore and offshore. Revenues collected by MMS are one of the largest sources of non-tax revenue to the Federal government. MRM also conducts a comprehensive compliance program to ensure that fair market value is received for the mineral assets and that royalties are timely and accurately paid.

This complex, dynamic program involves constant attention to system improvements, with the following included in the President's fiscal year 2008 Budget Request:

- **Adjustment Line Monitoring Initiative:** Nearly \$1 million (\$940,000) has been requested for this initiative for system modifications and additional staff resources to more readily identify improper royalty adjustments.
- **Interactive Payment Reconciliation and Billing:** A budget request of \$1.4 million will cover an interactive interface with enhanced online reporting, verification and electronic billing capabilities for MMS employees and energy companies. The system will also enhance MMS's electronic interaction with States, Tribes, and the energy industry.

- **Energy Policy Act Reduction:** Because Energy Policy Act of 2005 system enhancements are scheduled to be in place in 2007, further funding is not needed; a decrease of \$750,000 is included in the fiscal 2008 budget request.

A Word on the Budget

As of February 2007, the fiscal year 2007 budget appropriation has not been enacted by Congress. A Continuing Resolution (CR) is currently in effect through Feb. 15, 2007. Under the present CR, funds (\$1.6 million) have not been made available for system upgrades in fiscal year 2007.

MMS manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. MMS also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, sharing revenues with states, American Indians and individual lease holders, and the U.S. Treasury. The revenues are also contributed to the Land and Water Conservation Fund and other special use funds. In Fiscal Year 2006, disbursements were made of approximately \$12.8 billion, totaling nearly \$164.9 billion since 1982.

For more information on the Minerals Management Service, go to www.mms.gov.

Energy – MMS – Value